

L - Transportation Cabinet

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Table of Contents

L - Transportation Cabinet

General Administration and Support	L - 7
Aviation	L - 19
Debt Service	L - 25
Highways	L - 29
Public Transportation	L - 49
Revenue Sharing	L - 53
Vehicle Regulation	L - 61

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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,203,500	5,203,500		8,503,400	5,203,400	(3,300,000)	8,503,400	5,203,400	(3,300,000)
Restricted Funds	244,870,300	244,870,300		370,731,100	370,731,100		81,542,300	81,542,300	
Federal Funds	871,791,800	871,791,800		692,652,400	695,652,400	3,000,000	715,547,900	715,547,900	
Road Fund	1,144,840,900	1,144,840,900		1,158,600,900	1,168,481,800	9,880,900	1,177,937,400	1,202,818,300	24,880,900
Highway Bond	462,552,500	462,552,500		75,000,000	740,000,000	665,000,000			
Regular Total Funds	2,729,259,000	2,729,259,000		2,305,487,800	2,980,068,700	674,580,900	1,983,531,000	2,005,111,900	21,580,900
Use of Continuing	1,894,300	1,894,300							
TOTAL FUNDS	2,731,153,300	2,731,153,300		2,305,487,800	2,980,068,700	674,580,900	1,983,531,000	2,005,111,900	21,580,900
II. EXPENDITURE CATEGORY									
Personnel Costs	377,446,500	377,446,500		395,708,900	395,708,900		405,957,000	405,957,000	
Operating Expenses	237,537,500	237,537,500		259,013,400	262,013,400	3,000,000	261,381,700	261,381,700	
Grants, Loans, Benefits	203,656,700	203,656,700		192,785,900	156,227,900	(36,558,000)	187,019,900	164,675,900	(22,344,000)
Debt Service	182,533,000	182,533,000		203,837,700	238,291,700	34,454,000	212,917,400	274,841,400	61,924,000
Capital Outlay	1,378,500	1,378,500		5,264,200	5,264,200		5,465,600	5,465,600	
Construction	1,728,601,100	1,728,601,100		1,248,877,700	1,922,562,600	673,684,900	910,789,400	892,790,300	(17,999,100)
TOTAL EXPENDITURES	2,731,153,300	2,731,153,300		2,305,487,800	2,980,068,700	674,580,900	1,983,531,000	2,005,111,900	21,580,900
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,203,500	5,203,500		5,203,400	5,203,400		5,203,400	5,203,400	
Restricted Funds	244,870,300	244,870,300		74,430,400	74,430,400		74,529,700	74,529,700	
Federal Funds	841,705,900	841,705,900		620,904,200	620,904,200		623,850,700	623,850,700	
Road Fund	1,132,035,200	1,132,035,200		1,123,674,200	1,095,601,100	(28,073,100)	1,132,192,900	1,091,649,800	(40,543,100)
Highway Bond	462,552,500	462,552,500							
Regular Total Funds	2,686,367,400	2,686,367,400		1,824,212,200	1,796,139,100	(28,073,100)	1,835,776,700	1,795,233,600	(40,543,100)
Use of Continuing	1,894,300	1,894,300							
TOTAL BASE LEVEL	2,688,261,700	2,688,261,700		1,824,212,200	1,796,139,100	(28,073,100)	1,835,776,700	1,795,233,600	(40,543,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,300,000		(3,300,000)	3,300,000		(3,300,000)
Restricted Funds				296,300,700	296,300,700		7,012,600	7,012,600	
Federal Funds	30,085,900	30,085,900		71,748,200	74,748,200	3,000,000	91,697,200	91,697,200	
Road Fund	12,805,700	12,805,700		34,926,700	72,880,700	37,954,000	45,744,500	111,168,500	65,424,000
Highway Bond				75,000,000	740,000,000	665,000,000			
TOTAL ADDITIONAL	42,891,600	42,891,600		481,275,600	1,183,929,600	702,654,000	147,754,300	209,878,300	62,124,000

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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				640,000	640,000				
Road Fund				9,035,000	9,035,000		6,795,000	6,795,000	
TOTAL CAPITAL				9,675,000	9,675,000		6,795,000	6,795,000	

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	<u>FY 2005-2006</u>			<u>FY 2006-2007</u>			<u>FY 2007-2008</u>		
	<u>House</u>	<u>Senate</u>	<u>Difference</u>	<u>House</u>	<u>Senate</u>	<u>Difference</u>	<u>House</u>	<u>Senate</u>	<u>Difference</u>
<u>RESOURCES</u>									
Beginning Undesignated Balance	28,578,100	28,578,100	0	1,493,500	1,493,500	0	0	0	0
Revenue Receipts/Estimates	1,169,703,400	1,169,703,400	0	1,223,125,400	1,223,125,400	0	1,239,614,400	1,239,614,400	0
Road Fund Revenue Initiative				559,900	559,900	0	1,317,500	16,317,500	15,000,000
Spenddown of Continuing Appropriation	(28,578,100)	(28,578,100)							
TOTAL RESOURCES	1,169,703,400	1,169,703,400	0	1,225,178,800	1,225,178,800	0	1,240,931,900	1,255,931,900	15,000,000
<u>APPROPRIATIONS/EXPENDITURES</u>									
TRANSPORTATION CABINET									
General Administration & Support	66,530,000	66,530,000	0	69,217,100	69,217,100	0	70,072,400	70,072,400	0
Aviation	0	0	0	0	0	0	0	0	0
Revenue Sharing	240,939,000	240,939,000	0	257,792,100	224,534,100	(33,258,000)	253,198,700	234,154,700	(19,044,000)
Highways	625,672,600	625,672,600	0	667,781,400	676,466,300	8,684,900	680,861,200	662,862,100	(17,999,100)
Vehicle Regulation	16,280,300	16,280,300	0	17,396,100	17,396,100	0	18,269,900	18,269,900	0
Debt Service	166,840,900	166,840,900	0	146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
Capital Budget	4,248,000	4,248,000	0	9,035,000	9,035,000	0	6,795,000	6,795,000	0
TOTAL-TRANSPORTATION	1,120,510,800	1,120,510,800	0	1,167,635,900	1,177,516,800	9,880,900	1,184,732,400	1,209,613,300	24,880,900
DEPT. OF TREASURY	250,000	250,000	0	250,000	250,000	0	250,000	250,000	0
JUSTICE CABINET									
Kentucky State Police	29,769,100	29,769,100	0	40,000,000	29,769,100	(10,230,900)	40,000,000	29,769,100	(10,230,900)
Motor Vehicle Enforcement	12,999,000	12,999,000	0	13,974,900	13,974,900	0	13,881,500	13,881,500	0
FINANCE & ADMINISTRATION CABINET									
Debt Service	2,505,000	2,505,000	0	0	0	0	0	0	0
Department of Administration	283,000	283,000	0	300,000	300,000	0	300,000	300,000	0
Department of Revenue	1,418,000	1,418,000	0	1,768,000	1,768,000	0	1,768,000	1,768,000	0
Department of Revenue - Capital				1,250,000	1,250,000				
Comm. Office of Technology	125,000	125,000	0	0	0	0	0	0	0
GOV.'S OFF. OF HOMELAND SECURITY	350,000	350,000	0	0	350,000	350,000	0	350,000	350,000
TOTAL APPROP./EXPENDITURES	1,168,209,900	1,168,209,900	0	1,225,178,800	1,225,178,800	0	1,240,931,900	1,255,931,900	15,000,000
UNDESIGNATED BALANCE									
	1,493,500	1,493,500	0	0	0	0	0	0	0

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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	54,600	54,600		26,000	26,000		26,000	26,000	
Road Fund	65,934,100	65,934,100		69,217,100	69,217,100		70,072,400	70,072,400	
Regular Total Funds	65,988,700	65,988,700		69,243,100	69,243,100		70,098,400	70,098,400	
Use of Continuing									
TOTAL FUNDS	65,988,700	65,988,700		69,243,100	69,243,100		70,098,400	70,098,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	29,473,700	29,473,700		32,304,200	32,304,200		33,164,800	33,164,800	
Operating Expenses	28,596,800	28,596,800		29,052,900	29,052,900		29,052,900	29,052,900	
Grants, Loans, Benefits	29,000	29,000		29,000	29,000		29,000	29,000	
Debt Service	7,328,100	7,328,100		7,297,800	7,297,800		7,292,500	7,292,500	
Capital Outlay	388,100	388,100		386,600	386,600		386,600	386,600	
Construction	173,000	173,000		172,600	172,600		172,600	172,600	
TOTAL EXPENDITURES	65,988,700	65,988,700		69,243,100	69,243,100		70,098,400	70,098,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	54,600	54,600		26,000	26,000		26,000	26,000	
Road Fund	65,934,100	65,934,100		66,502,800	66,502,800		67,219,100	67,219,100	
Regular Total Funds	65,988,700	65,988,700		66,528,800	66,528,800		67,245,100	67,245,100	
Use of Continuing									
TOTAL BASE LEVEL	65,988,700	65,988,700		66,528,800	66,528,800		67,245,100	67,245,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund				2,714,300	2,714,300		2,853,300	2,853,300	
TOTAL ADDITIONAL				2,714,300	2,714,300		2,853,300	2,853,300	
V. ADDITIONAL BUDGET ITEMS									
1 NEW	General Administration and Support - Secretary								
ABRC35K0007	Provide funds to support personnel expenditures related to 20 interim scholarship positions (20 vacant) for minority college students.								
Road Fund				218,800	218,800		218,800	218,800	
Project Total				218,800	218,800		218,800	218,800	
2 NEW	General Administration and Support - Property and Supply								
ABRC35K0017	Provide funds to support operating expenditures related to the purchase and operation of the new ARCHIBUS property inventory system.								
Road Fund				350,000	350,000		350,000	350,000	
Project Total				350,000	350,000		350,000	350,000	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
3	GB	General Administration and Support - Secretary								
ABRC35K0006		Provide funds to support personnel expenditures related to the Secretary program, including five (5) personnel positions (5 vacant).								
Road Fund					275,000	275,000		300,000	300,000	
Project Total					275,000	275,000		300,000	300,000	
4	GB	General Administration and Support - Budget and Fiscal Management								
ABRC35K0010		Provide funds to support personnel expenditures related to the Budget and Fiscal Management program, including eight (8) personnel positions (8 vacant).								
Road Fund					310,000	310,000		340,000	340,000	
Project Total					310,000	310,000		340,000	340,000	
5	GB	General Administration and Support - Legal Services								
ABRC35K0004		Provide funds to support personnel expenditures related to the Legal Services program, including eight (8) personnel positions (8 vacant).								
Road Fund					360,000	360,000		400,000	400,000	
Project Total					360,000	360,000		400,000	400,000	
6	GB	General Administration and Support - Transportation Operations Center								
ABRC35K0011		Provide funds to support personnel expenditures related to the Transportation Operations Center program, including two (2) personnel positions (2 vacant).								
Road Fund					140,000	140,000		150,000	150,000	
Project Total					140,000	140,000		150,000	150,000	
7	GB	General Administration and Support - Public Relations								
ABRC35K0009		Provide funds to support personnel expenditures related to the Public Relations program, including one (1) personnel position (1 vacant).								
Road Fund					35,000	35,000		35,000	35,000	
Project Total					35,000	35,000		35,000	35,000	
8	GB	General Administration and Support - Legislative and Intergovernmental Affairs								
ABRC35K0013		Provide funds to support personnel expenditures related to the Legislative and Intergovernmental Affairs program, including one (1) personnel position (1 vacant).								
Road Fund					100,000	100,000		105,000	105,000	
Project Total					100,000	100,000		105,000	105,000	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
9	GB	General Administration and Support - Personnel Management								
ABRC35K0014	Provide funds to support personnel expenditures related to the Personnel Management program, including three (3) personnel positions (3 vacant).									
Road Fund					119,000	119,000		127,000	127,000	
Project Total					119,000	119,000		127,000	127,000	
10	GB	General Administration and Support - Property and Supply Services								
ABRC35K0015	Provide funds to support personnel expenditures related to Property and Supply Services program, including two personnel positions (2 filled).									
Road Fund					100,000	100,000		105,000	105,000	
Project Total					100,000	100,000		105,000	105,000	
11	GB	General Administration and Support - Toll Facilities								
ABRC35K0019	Provide funds to support personnel expenditures related to the Toll Facilities program, including 20 interim personnel positions (20 vacant).									
Road Fund					260,000	260,000		260,000	260,000	
Project Total					260,000	260,000		260,000	260,000	
12	GB	General Administration and Support - Commissioner								
ABRC35K0018	Provide funds to support personnel expenditures related to the Commissioner of Administrative Services, including two (2) personnel positions (2 filled).									
Road Fund					175,000	175,000		182,000	182,000	
Project Total					175,000	175,000		182,000	182,000	
13	GB	General Administration and Support - Purchases								
ABRC35K0021	Provide funds to support personnel expenditures related to the Purchases program, including one (1) personnel position (1 filled).									
Road Fund					64,000	64,000		69,000	69,000	
Project Total					64,000	64,000		69,000	69,000	
14	GB	General Administration and Support - Inspector General								
ABRC35K0012	Provide funds to support personnel expenditures related to the Inspector General program, including one (1) personnel position (1 vacant).									
Road Fund					70,000	70,000		72,000	72,000	
Project Total					70,000	70,000		72,000	72,000	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

General Administration and Support

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
15	GB	General Administration and Support - Toll Facilities									
ABRC35K0020		Provide funds to support personnel expenditures related to the Toll Facilities program, including one (1) personnel position (1 vacant).									
Road Fund					25,000	25,000		27,000	27,000		
Project Total					25,000	25,000		27,000	27,000		
16	GB	General Administration and Support - Property and Supply Services									
ABRC35K0016		Provide funds to support operating expenditures related to rental copier upgrades.									
Road Fund					112,500	112,500		112,500	112,500		
Project Total					112,500	112,500		112,500	112,500		
TOTAL ADDITIONAL					2,714,300	2,714,300		2,853,300	2,853,300		

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

General Administration and Support

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

"Debt Service: Included in the above Road Fund appropriation is \$7,297,800 in fiscal year 2006-2007 and \$7,292,500 in fiscal year 2007-2008 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure."

"Adopt-A-Highway Litter Program: The Transportation Cabinet and Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Transportation Cabinet, provides Road Fund resources of \$9,035,000 in fiscal year 2006-2007 and \$6,795,000 in fiscal year 2007-2008 and Federal Funds of \$640,000 in fiscal year 2006-2007 for capital projects.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Revenue, provides Road Fund resources of \$1,250,000 and

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

General Administration and Support

Federal Funds of \$1,250,000 in fiscal year 2006-2007 for the Motor Fuels Tax Automation capital project.

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

The House adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

General Administration and Support

biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

The House adds a Part I, Operating Budget, language provision as follows:

"Six-Year Highway Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Highway Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided to the Interim Joint Committee on Appropriations and Revenue no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

General Administration and Support

the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Programs: The Secretary of the Transportation Cabinet is directed to report quarterly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Six-Year Highway Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Highway Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided to the Interim Joint Committee on Appropriations and Revenue no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Federal Funds				640,000	640,000				
Road Fund				9,035,000	9,035,000		6,795,000	6,795,000	
TOTAL CAPITAL				9,675,000	9,675,000		6,795,000	6,795,000	
II. CAPITAL PROJECTS									
1	Building Renovations & Emergency Repairs								
PRJC35K1474									
Road Fund				500,000	500,000		500,000	500,000	
Project Total				500,000	500,000		500,000	500,000	
2	Painting & Roof Repair or Replacement								
PRJC35K1477									
Road Fund				150,000	150,000		150,000	150,000	
Project Total				150,000	150,000		150,000	150,000	
3	Construct or Repair Salt Storage Structures								
PRJC35K1472									
Road Fund				225,000	225,000		225,000	225,000	
Project Total				225,000	225,000		225,000	225,000	
4	Water and Wastewater Projects								
PRJC35K1476									
Road Fund				100,000	100,000		100,000	100,000	
Project Total				100,000	100,000		100,000	100,000	
5	Replace Overhead Doors and Emergency Repairs								
PRJC35K1475									
Road Fund				200,000	200,000		200,000	200,000	
Project Total				200,000	200,000		200,000	200,000	
6	Repair Loadometer & Rest Areas								
PRJC35K1479									
Road Fund				900,000	900,000		600,000	600,000	
Project Total				900,000	900,000		600,000	600,000	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
7 Replace HVAC Flemingsburg District Office								
PRJC35K1487								
Road Fund			800,000	800,000				
Project Total			800,000	800,000				
8 HVAC Maintenance & Repair								
PRJC35K1485								
Road Fund			400,000	400,000		400,000	400,000	
Project Total			400,000	400,000		400,000	400,000	
9 Conduct Paving and Landscaping								
PRJC35K1478								
Road Fund			100,000	100,000		100,000	100,000	
Project Total			100,000	100,000		100,000	100,000	
10 Remove Hazardous Materials								
PRJC35K1473								
Road Fund			50,000	50,000		50,000	50,000	
Project Total			50,000	50,000		50,000	50,000	
11 Various Environmental Compliance								
PRJC35K1482								
Road Fund			1,000,000	1,000,000		1,000,000	1,000,000	
Project Total			1,000,000	1,000,000		1,000,000	1,000,000	
12 Kentucky State Parks Road Maintenance								
PRJC35K1480								
Road Fund			1,500,000	1,500,000		1,500,000	1,500,000	
Project Total			1,500,000	1,500,000		1,500,000	1,500,000	
13 Videologging Roadway Features System								
PRJC35K1481								
Federal Funds			640,000	640,000				
Road Fund			160,000	160,000				
Project Total			800,000	800,000				

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Capital Budget

General Administration and Support

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
14 Purchase Lab Equipment								
PRJC35K1486								
Road Fund			400,000	400,000				
Project Total			400,000	400,000				
15 Building Demolition & Disposal								
PRJC35K1483								
Road Fund			100,000	100,000				
Project Total			100,000	100,000				
16 Construct Various Maintenance Facilities - Secondary Structures								
PRJC35K1484								
Road Fund			150,000	150,000		150,000	150,000	
Project Total			150,000	150,000		150,000	150,000	
17 Construct Larue County Maintenance Facility & Salt Storage Structure								
PRJC35K1470								
Road Fund						910,000	910,000	
Project Total						910,000	910,000	
18 Construct Spencer County Maintenance Facility & Salt Storage Structure								
PRJC35K1471								
Road Fund						910,000	910,000	
Project Total						910,000	910,000	
19 Horse Park Roads								
PRJC35K1491								
Road Fund			2,300,000	2,300,000				
Project Total			2,300,000	2,300,000				
TOTAL CAPITAL			9,675,000	9,675,000		6,795,000	6,795,000	

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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Aviation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	11,042,300	11,042,300		4,197,000	4,197,000		4,172,000	4,172,000	
Federal Funds	629,700	629,700		15,000	15,000		15,000	15,000	
Regular Total Funds	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
Use of Continuing									
TOTAL FUNDS	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,813,500	1,813,500		1,207,600	1,207,600		1,232,500	1,232,500	
Operating Expenses	264,400	264,400		264,400	264,400		264,400	264,400	
Grants, Loans, Benefits	9,360,100	9,360,100		2,740,000	2,740,000		2,690,100	2,690,100	
Debt Service	234,000	234,000							
TOTAL EXPENDITURES	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	11,042,300	11,042,300		4,197,000	4,197,000		4,172,000	4,172,000	
Federal Funds	629,700	629,700		15,000	15,000		15,000	15,000	
Regular Total Funds	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
Use of Continuing									
TOTAL BASE LEVEL	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
TRANSFERS TO THE GENERAL FUND									
Aviation									
Kentucky Aviation				468,000	468,000		468,000	468,000	
Economic Development									
Fund									
Notwithstanding KRS 183.525(5), these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2005 Ky. Acts ch. 173, Part II, Capital Projects Budget, C., 1., 002.									
TOTAL				468,000	468,000		468,000	468,000	

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Aviation

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Operational Costs: Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year."

"Certified Air Carriers and Cap on Sales and Use Tax: The sales and use tax credit shall be an amount equal to the Kentucky sales and use tax otherwise applicable to aircraft fuel, including jet fuel, purchased by the certified air carrier for its storage, use, or other consumption during the annual period, less \$1,000,000. The \$1,000,000 amount shall be increased to reflect the Kentucky sales and use tax on aviation fuel attributable to operations of any other company purchased, merged, acquired, or otherwise combined with the certified air carrier after the base period. The amount of the increase shall be based on the Kentucky sales and use tax applicable to such aircraft fuel purchased during the 12-month period immediately preceding the purchase, merger, or other acquisition by or combination with the certified air carrier."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Kentucky Aviation Economic Development Fund, Restricted Funds of \$468,000 in fiscal year 2006-2007 and \$468,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes the following language provision:

"Notwithstanding KRS 183.525(5), these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2005 Ky. Acts ch. 173, Part II, Capital Projects Budget, C., 1., 002."

HOUSE REPORT

The House concurs with the Branch with the following changes:

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Aviation

The House adds Part I, Operating Budget, language provisions as follows:

"Aviation Projects: The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six Year- Aviation Plan:

(a)	Bardstown-Nelson County Airport	\$1,200,000
(b)	Cynthiana-Harrison County Airport	\$500,000
(c)	Fleming-Mason Airport	\$2,000,000
(d)	Muhlenberg County Airport	\$1,000,000
(e)	Ohio County Airport	\$1,000,000
(f)	Big Sandy Regional Airport	\$2,500,000
(g)	Leitchfield-Grayson County Airport	\$1,000,000
(h)	Madison Airport	\$800,000
(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000
(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

"Six-Year Aviation Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Aviation Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

"Capital City Airport: No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Aviation

purpose of studying, planning, or construction of additional runways for or expansion of the Capital City Airport."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes Part I, Operating Budget, language provisions as follows:

"Aviation Projects: The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six Year- Aviation Plan:

(a)	Bardstown-Nelson County Airport	\$1,200,000
(b)	Cynthiana-Harrison County Airport	\$500,000
(c)	Fleming-Mason Airport	\$2,000,000
(d)	Muhlenberg County Airport	\$1,000,000
(e)	Ohio County Airport	\$1,000,000
(f)	Big Sandy Regional Airport	\$2,500,000
(g)	Leitchfield-Grayson County Airport	\$1,000,000
(h)	Madison Airport	\$800,000
(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000
(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

"Six-Year Aviation Plan Project Report: The Transportation Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis a status report of all projects contained in the Six-Year Aviation Plan, including project expenditures and an approximation of the amount of work completed. Each change to cost estimate, schedule, or scope for all

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Aviation

planned projects shall be highlighted or specifically identified in the report. The status reports shall be provided no later than ten business days after March 31, June 30, September 30, and December 31 of each year."

"Capital City Airport: No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the purpose of studying, planning, or construction of additional runways for or expansion of the Capital City Airport."

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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Debt Service

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	166,840,900	166,840,900		146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
Regular Total Funds	166,840,900	166,840,900		146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
Use of Continuing									
TOTAL FUNDS	166,840,900	166,840,900		146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
II. EXPENDITURE CATEGORY									
Debt Service	166,840,900	166,840,900		146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
TOTAL EXPENDITURES	166,840,900	166,840,900		146,414,200	180,868,200	34,454,000	155,535,200	217,459,200	61,924,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
Road Fund	166,840,900	166,840,900		146,414,200	146,414,200		148,551,200	148,551,200	
Regular Total Funds	166,840,900	166,840,900		146,414,200	146,414,200		148,551,200	148,551,200	
Use of Continuing									
TOTAL BASE LEVEL	166,840,900	166,840,900		146,414,200	146,414,200		148,551,200	148,551,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund					34,454,000	34,454,000	6,984,000	68,908,000	61,924,000
TOTAL ADDITIONAL					34,454,000	34,454,000	6,984,000	68,908,000	61,924,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW Debt Service									
ABRC35H0001	Provide Road Fund resources for the combined lease rental payments for the issuance of \$75 million in Economic Development Highway Bonds associated with the County Road Aid (\$50 million) and the Municipal Road Aid (\$25 million) programs.								
Road Fund							6,984,000		(6,984,000)
Project Total							6,984,000		(6,984,000)
2 NEW Debt Service									
ABRC35H0003	Provide Road Fund resources for the lease rental payments for the issuance of \$740 million in Economic Development Highway Bonds associated with Economic Development Road Projects.								
Road Fund					34,454,000	34,454,000		68,908,000	68,908,000
Project Total					34,454,000	34,454,000		68,908,000	68,908,000
TOTAL ADDITIONAL					34,454,000	34,454,000	6,984,000	68,908,000	61,924,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Debt Service

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Toll Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$205,100 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008 for toll road lease-rental payments."

"Resource Recovery Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$90,000 in fiscal year 2006-2007 and \$90,000 in fiscal year 2007-2008 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020."

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Debt Service

"Excess Lease-Rental Payments: Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Kentucky Turnpike Authority shall be transferred to the State Construction account."

"Debt Payment Acceleration Fund Account: Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2006-2008 fiscal biennium."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House adds a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

The House deletes a Part I, Operating Budget, language provision as follows:

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The House adds a Part I, Operating Budget, language provision as follows:

"Economic Development Road Lease-Rental Payments: Included in the above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

SENATE REPORT

The Senate concurs with the House with the following changes:

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Debt Service

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Toll Road Termination: The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid as consistent with current policy."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Economic Development Road Bond Debt Service: Included in the above Road Fund appropriation is \$34,454,000 in fiscal year 2006-2007 and \$68,908,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$740,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	227,378,400	227,378,400		361,842,500	361,842,500		72,686,700	72,686,700	
Federal Funds	814,821,700	814,821,700		652,147,700	652,147,700		675,013,800	675,013,800	
Road Fund	654,846,600	654,846,600		667,781,400	676,466,300	8,684,900	680,861,200	662,862,100	(17,999,100)
Highway Bond	312,552,500	312,552,500			740,000,000	740,000,000			
Regular Total Funds	2,009,599,200	2,009,599,200		1,681,771,600	2,430,456,500	748,684,900	1,428,561,700	1,410,562,600	(17,999,100)
Use of Continuing									
TOTAL FUNDS	2,009,599,200	2,009,599,200		1,681,771,600	2,430,456,500	748,684,900	1,428,561,700	1,410,562,600	(17,999,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	328,173,800	328,173,800		344,124,200	344,124,200		352,961,500	352,961,500	
Operating Expenses	152,135,200	152,135,200		174,156,500	174,156,500		175,613,100	175,613,100	
Grants, Loans, Benefits	3,539,100	3,539,100		3,539,100	3,539,100		3,539,100	3,539,100	
Debt Service	8,130,000	8,130,000		50,125,700	50,125,700		50,089,700	50,089,700	
Capital Outlay	990,400	990,400		4,877,600	4,877,600		5,079,000	5,079,000	
Construction	1,516,630,700	1,516,630,700		1,104,948,500	1,853,633,400	748,684,900	841,279,300	823,280,200	(17,999,100)
TOTAL EXPENDITURES	2,009,599,200	2,009,599,200		1,681,771,600	2,430,456,500	748,684,900	1,428,561,700	1,410,562,600	(17,999,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	227,378,400	227,378,400		65,585,900	65,585,900		65,713,700	65,713,700	
Federal Funds	784,735,800	784,735,800		593,227,000	593,227,000		596,145,300	596,145,300	
Road Fund	654,846,600	654,846,600		637,232,300	642,417,200	5,184,900	647,255,000	625,755,900	(21,499,100)
Highway Bond	312,552,500	312,552,500							
Regular Total Funds	1,979,513,300	1,979,513,300		1,296,045,200	1,301,230,100	5,184,900	1,309,114,000	1,287,614,900	(21,499,100)
Use of Continuing									
TOTAL BASE LEVEL	1,979,513,300	1,979,513,300		1,296,045,200	1,301,230,100	5,184,900	1,309,114,000	1,287,614,900	(21,499,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				296,256,600	296,256,600		6,973,000	6,973,000	
Federal Funds	30,085,900	30,085,900		58,920,700	58,920,700		78,868,500	78,868,500	
Road Fund				30,549,100	34,049,100	3,500,000	33,606,200	37,106,200	3,500,000
Highway Bond					740,000,000	740,000,000			
TOTAL ADDITIONAL	30,085,900	30,085,900		385,726,400	1,129,226,400	743,500,000	119,447,700	122,947,700	3,500,000

V. ADDITIONAL BUDGET ITEMS

1 GB Highways - Construction

ABRC35F0002 Provide funds to support increased construction expenditures related to SAFETEA-LU federal funds for the major construction, reconstruction, and rehabilitation of approximately 12,000 miles of interstate, primary, secondary, urban, and Appalachian routes

Federal Funds	30,085,900	30,085,900	57,331,400	57,331,400	77,242,800	77,242,800
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SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
Project Total			30,085,900	30,085,900		57,331,400	57,331,400		77,242,800	77,242,800	
2	GB	Highways - Research									
ABRC35F0001			Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.								
Federal Funds						858,000	858,000		858,000	858,000	
Project Total						858,000	858,000		858,000	858,000	
3	GB	Highways - Planning									
ABRC35F0003			Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for the metropolitan planning process.								
Federal Funds						731,300	731,300		767,700	767,700	
Project Total						731,300	731,300		767,700	767,700	
4	NEW	Highways - Construction									
ABRC35F0004			Provide for Grant Anticipation Revenue Vehicle (GARVEE) bond resources of \$290 million to support increased highway construction expenditures for federal interstate highway projects.								
Restricted Funds						290,000,000	290,000,000				
Project Total						290,000,000	290,000,000				
5	GB	Highways - Maintenance									
ABRC35F0015			Provide funds to support increased operating expenditures related to the Maintenance - Roadside Safety program.								
Road Fund						10,000,000	10,000,000		10,000,000	10,000,000	
Project Total						10,000,000	10,000,000		10,000,000	10,000,000	
6	GB	Highways - Construction									
ABRC35F0010			Provide funds to support increased operating expenditures related to the Construction - Resurfacing program to resurface and rehabilitate poor pavements statewide.								
Road Fund						3,680,000	3,680,000		3,680,000	3,680,000	
Project Total						3,680,000	3,680,000		3,680,000	3,680,000	
7	GB	Highways - Maintenance									
ABRC35F0016			Provide funds to support operating expenditures related to the Maintenance - Pavement Management program; SENATE: funding level was increased in each fiscal year of the biennium.								
Road Fund						500,000	4,000,000	3,500,000	500,000	4,000,000	3,500,000
Project Total						500,000	4,000,000	3,500,000	500,000	4,000,000	3,500,000

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
8	GB	Highways - Maintenance									
ABRC35F0013		Provide funds to support increased operating expenditures related to the Maintenance - Medium/Heavy Duty Equipment Operations program for increased inflationary equipment costs of equipment usage to maintain the highway system.									
Road Fund						4,000,000	4,000,000		4,000,000	4,000,000	
Project Total						4,000,000	4,000,000		4,000,000	4,000,000	
9	GB	Highways - Equipment Services									
ABRC35F0008		Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current equipment replacement schedule for the medium/heavy duty equipment fleet.									
Restricted Funds						4,051,000	4,051,000		4,379,000	4,379,000	
Project Total						4,051,000	4,051,000		4,379,000	4,379,000	
10	GB	Highways - Equipment Services									
ABRC35F0007		Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current operating level of medium/heavy duty equipment services.									
Restricted Funds						1,500,000	1,500,000		1,700,000	1,700,000	
Project Total						1,500,000	1,500,000		1,700,000	1,700,000	
11	GB	Highways - Maintenance									
ABRC35F0021		Provide funds to support increased operating expenditures related to the Maintenance - Bridge Contract Repairs program.									
Road Fund						2,000,000	2,000,000		2,000,000	2,000,000	
Project Total						2,000,000	2,000,000		2,000,000	2,000,000	
12	GB	Highways - Maintenance									
ABRC35F0025		Provide funds to support increased operating expenditures related to the Maintenance - Traffic Signals program.									
Road Fund						1,500,000	1,500,000		1,500,000	1,500,000	
Project Total						1,500,000	1,500,000		1,500,000	1,500,000	
13	GB	Highways - Maintenance									
ABRC35F0011		Provide funds to support personnel expenditures related to the Maintenance - Roadway Maintenance program, including 50 personnel positions (50 vacant).									
Road Fund									738,300	738,300	
Project Total									738,300	738,300	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
14	EXPAN	Highways - Maintenance									
ABRC35F0024			Provide funds to support increased operating expenditures related to the Maintenance - Safety Assistance for Freeway Emergencies (SAFE) Patrol incident management initiative.								
Road Fund						1,200,000	1,200,000		2,400,000	2,400,000	
Project Total						1,200,000	1,200,000		2,400,000	2,400,000	
15	GB	Highways - Maintenance									
ABRC35F0026			Provide funds to support increased operating expenditures related to the Maintenance - Signal System Operations program.								
Road Fund						1,000,000	1,000,000		1,000,000	1,000,000	
Project Total						1,000,000	1,000,000		1,000,000	1,000,000	
16	GB	Highways - Maintenance									
ABRC35F0018			Provide funds to support increased operating expenditures related to the Maintenance - Striping program.								
Road Fund						1,000,000	1,000,000		1,000,000	1,000,000	
Project Total						1,000,000	1,000,000		1,000,000	1,000,000	
17	GB	Highways - Maintenance									
ABRC35F0012			Provide funds to support increased personnel expenditures related to the Maintenance - Snow and Ice program, including 20 full-time positions (20 Filled).								
Road Fund						303,100	303,100		303,100	303,100	
Project Total						303,100	303,100		303,100	303,100	
18	GB	Highways - Maintenance									
ABRC35F0017			Provide funds to support increased operating expenditures related to the Maintenance - Ditching program.								
Road Fund						1,200,000	1,200,000		1,200,000	1,200,000	
Project Total						1,200,000	1,200,000		1,200,000	1,200,000	
19	GB	Highways - Maintenance									
ABRC35F0020			Provide funds to support increased operating expenditures related to the Maintenance - Bridge Materials program.								
Road Fund						600,000	600,000		600,000	600,000	
Project Total						600,000	600,000		600,000	600,000	
20	GB	Highways - Maintenance									
ABRC35F0019			Provide funds to support increased operating expenditures related to the Maintenance - Signs program.								
Road Fund						500,000	500,000		500,000	500,000	
Project Total						500,000	500,000		500,000	500,000	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
21	GB	Highways - Maintenance									
ABRC35F0022			Provide funds to support personnel expenditures related to the Maintenance - Traffic Operations program, including 20 personnel positions (20 vacant).								
Road Fund									347,500	347,500	
Project Total									347,500	347,500	
22	GB	Highways - Engineering Administration									
ABRC35F0031			Provide funds to support personnel expenditures related to the Engineering Administration - Right of Way program, including 18 personnel positions (18 vacant).								
Road Fund						49,300	49,300		52,400	52,400	
Project Total						49,300	49,300		52,400	52,400	
23	GB	Highways - Highway Operations									
ABRC35F0039			Provide funds to support personnel expenditures related to Highway Operations scholarship personnel, including 32 Other personnel positions (32 vacant).								
Road Fund						310,000	310,000		310,000	310,000	
Project Total						310,000	310,000		310,000	310,000	
24	GB	Highways - Engineering Administration									
ABRC35F0027			Provide funds to support personnel expenditures related to the Engineering Administration - Construction program, including 23 personnel positions (23 vacant).								
Road Fund						36,000	36,000		38,200	38,200	
Project Total						36,000	36,000		38,200	38,200	
25	GB	Highways - Engineering Administration									
ABRC35F0030			Provide funds to support personnel expenditures related to the Engineering Administration - Environmental Analysis program, including two (2) personnel positions (2 vacant).								
Road Fund						37,800	37,800		40,100	40,100	
Project Total						37,800	37,800		40,100	40,100	
26	GB	Highways - Engineering Administration									
ABRC35F0029			Provide funds to support personnel expenditures related to the Engineering Administration - Design program, including 11 personnel positions (11 vacant).								
Road Fund						97,500	97,500		103,500	103,500	
Project Total						97,500	97,500		103,500	103,500	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
27	GB	Highways - Engineering Administration									
ABRC35F0028			Provide funds to support personnel expenditures related to the Engineering Administration - Materials program, including six (6) personnel positions (6 vacant).								
Road Fund						122,300	122,300		130,000	130,000	
Project Total						122,300	122,300		130,000	130,000	
28	GB	Highways - Engineering Administration									
ABRC35F0033			Provide funds to support personnel expenditures related to the Engineering Administration - Planning program, including four (4) full-time and one (1) part-time personnel positions (5 vacant).								
Road Fund						45,900	45,900		48,700	48,700	
Project Total						45,900	45,900		48,700	48,700	
29	GB	Highways - Engineering Administration									
ABRC35F0032			Provide funds to support personnel expenditures related to the Engineering Administration - Program Management program, including two (2) personnel positions (2 vacant).								
Road Fund						129,900	129,900		137,700	137,700	
Project Total						129,900	129,900		137,700	137,700	
30	GB	Highways - Planning									
ABRC35F0036			Provide funds to support personnel expenditures related to the Planning - Modal Programs program, including two (2) personnel positions (2 vacant).								
Road Fund						24,400	24,400		25,800	25,800	
Project Total						24,400	24,400		25,800	25,800	
31	GB	Highways - Highway Operations									
ABRC35F0037			Provide funds to support personnel expenditures related to the Highway Operations - District Operations program, including three (3) personnel positions (3 vacant).								
Road Fund									60,600	60,600	
Project Total									60,600	60,600	
32	GB	Highways - Planning									
ABRC35F0034			Provide funds to support personnel expenditures related to the Planning - District Overhead Planning program, including two (2) personnel positions (2 vacant).								
Road Fund						3,400	3,400		3,600	3,600	
Project Total						3,400	3,400		3,600	3,600	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
33	GB	Highways - Highway Operations	Provide funds to support personnel expenditures related to the Highway Operations - Contract Procurement program, including one (1) personnel position (1 vacant).								
	ABRC35F0038										
	Road Fund										
Project Total									20,200	20,200	
34	GB	Highways - Planning	Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for metropolitan planning funds.								
	ABRC35F0035										
	Road Fund									143,300	143,300
Project Total			143,300	143,300			145,500	145,500			
35	GB	Highways - Maintenance	Provide funds to support increased personnel contract expenditures with other states, related to the Maintenance-Intelligent Transportation System (ITS) in the Louisville/Southern Indiana interstate region and Cumberland Gap Tunnel management project.								
	ABRC35F0005										
	Restricted Funds									561,400	561,400
Project Total			561,400	561,400			623,200	623,200			
36	GB	Highways - Equipment Services	Provide funds to support personnel expenditures related to the Equipment Services program, including 10 personnel positions (10 vacant).								
	ABRC35F0006										
	Restricted Funds									144,200	144,200
Project Total			144,200	144,200			270,800	270,800			
37	GB	Highways - Maintenance	Provide funds to support increased operating expenditures related to the Maintenance - Materials program.								
	ABRC35F0014										
	Road Fund									1,000,000	1,000,000
Project Total			1,000,000	1,000,000			1,000,000	1,000,000			
38	GB	Highways - Maintenance	Provide funds to support increased operating expenditures related to the Maintenance program equipment operations cost increases.								
	ABRC35F0023										
	Road Fund									290,900	290,900
Project Total			290,900	290,900			354,300	354,300			

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
39	GB	Highways - Research									
ABRC35F0009		Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.									
Road Fund						264,500	264,500		264,500	264,500	
Project Total						264,500	264,500		264,500	264,500	
40	GB	Highways - Highway Operations									
ABRC35F0040		Provide funds to support personnel expenditures increase of approximately \$100 monthly in the Highway Operations - Scholarship Stipend program.									
Road Fund						75,000	75,000		75,000	75,000	
Project Total						75,000	75,000		75,000	75,000	
41	NEW	Highways - Construction									
ABRC35F0044		Provide Road Fund resources for the Construction Program as a result of the Department of Revenue initiative.									
Road Fund						435,800	435,800		1,027,200	1,027,200	
Project Total						435,800	435,800		1,027,200	1,027,200	
42	NEW	Highways - Construction									
ABRC35F0045		Provide funds to support increased bond funded construction expenditures related to Economic Development Road Projects.									
Highway Bond							740,000,000	740,000,000			
Project Total							740,000,000	740,000,000			
TOTAL ADDITIONAL			30,085,900	30,085,900		385,726,400	1,129,226,400	743,500,000	119,447,700	122,947,700	3,500,000

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above Federal Funds appropriation is \$15,162,700 in fiscal year 2006-2007 and \$15,126,700 in fiscal year 2007-2008 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds appropriated for this purpose in 2005 Ky. Acts, ch. 173, Part I, L., 4., (16) (HB 267)."

"New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service: Included in the above Federal Funds appropriation is \$34,963,000 in fiscal year 2006-2007 and \$34,963,000 in fiscal year 2007-2008 for GARVEE Bonds debt service payments relating to projects financed by \$290,000,000 in GARVEE Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the GARVEE Bond road projects."

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

"State Resurfacing Program: Included in the State Supported Construction Program is \$80,402,200 in fiscal year 2006-2007 and \$87,320,000 in fiscal year 2007-2008 from the Road Fund for the State Resurfacing Program."

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

"Highway Construction Contingency Account: Included in the State Supported Construction Program is \$37,740,000 in fiscal year 2006-2007 and \$37,740,000 in fiscal year 2007-2008 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

"2006-2008 Biennial Highway Construction Plan: Projects in the enacted 2004-2006 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2006-2008 fiscal biennium."

"Kentucky Transportation Center: Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in fiscal year 2006-2007 and \$290,000 in fiscal year 2007-2008 for the Kentucky Transportation Center."

"New Highway Equipment Purchases: Notwithstanding KRS 48.710(3), Restricted Funds are appropriated in the amounts of \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 from the sale of surplus equipment to purchase new highway equipment."

"State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys."

"Excess Debt Service/Lease-Rental Appropriations: Any Road Fund appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike Authority or debt service on the Transportation Cabinet office building shall be credited to the State Construction Account."

"Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Four-Year Preconstruction Program."

"Demonstration Projects: The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

"Road Fund Cash Management: The Secretary of the Transportation Cabinet is authorized to continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary is directed to continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided."

"Biennial Highway Construction Program: In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional Federal Funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to ensure that the Commonwealth makes full use of all available Federal Funds."

"Programmatic Adjustments: The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated above for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

"Grant Anticipation Revenue Vehicle (GARVEE) Bonds: Included in the above Restricted Funds appropriation is \$290,000,000 in fiscal year 2006-2007 for GARVEE Bond Funds."

"Carry Forward of Appropriation Balances: Notwithstanding KRS 45.229, unexpended Road Fund, Federal Funds, and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2005-2006 and fiscal year 2006-2007 shall not lapse and shall carry forward."

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction,

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XIII of this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget, Judgments appropriation unit includes language provisions that direct:

"Payment of Judgments: Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury."

"Carry Forward of Road Fund Appropriation Balance: Notwithstanding KRS 45.229, any funds not expended by June 30, 2007, shall not lapse and shall carry forward."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

The House adds a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$306,959,500 in fiscal year 2006-2007 and \$310,881,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The House deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

The House adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$188,817,300 in fiscal year 2006-2007 and \$185,821,300 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The House adds Part I, Operating Budget, language provisions as follow:

"Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$1,000,000 for this purpose for the 2006-2008 biennium."

"Paving and Rehabilitation: The Kentucky Transportation Cabinet is encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to the West Virginia border at the level equal to that accomplished on I-64 in Bath County, Rowan County, and the remainder of Carter County."

"Interlocal Agreement: Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

"Louisville Bridges Project Plan Report: The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by October 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, and the overall financial impact of the Louisville Bridges Project with respect to the federally funded component and the state-funded component of the Six-Year Highway Plan. The Transportation Cabinet shall expend no more than \$130,000,000 on the Louisville Bridges Project through the first year of the biennium."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

"Asphalt Pavement Template: As of the effective date of this Act, the Secretary of the Transportation Cabinet shall require that all federally funded interstate highway construction projects use only asphalt in the pavement template."

"Miscellaneous Road Fund Projects:

- (a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;
- (c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;
- (d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

- (m) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (n) Madison County Highway Improvements: Funds for improvements to Barnes Mill Road/KY 876, from west of Redwood Drive to Page Hill shall be paid to the Madison County Fiscal Court, which shall coordinate the project;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;
- (p) Rockcastle County Highway Lighting: Install highway lighting on US 25 from I-75 to the Country Music Hall of Fame in Renfro Valley for \$350,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (r) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;
- (s) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;
- (t) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (v) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (w) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

The House provides increased Road Fund support totaling \$435,800 in fiscal year 2006-2007 and \$1,027,200 in fiscal year 2007-2008 for the Highways appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue collection initiative to be implemented by the Department of Revenue.

The House provides decreased Road Fund support totaling \$5,000,000 in each fiscal year from the State Construction Account to be transferred to the Kentucky State Police for operations.

SENATE REPORT

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

The Senate concurs with the House with the following changes:

The Senate deletes Part I, Operating Budget, language provisions as follows:

"Pavement Management: The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$1,000,000 for this purpose for the 2006-2008 biennium."

"Louisville Bridges Project Plan Report: The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by October 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, and the overall financial impact of the Louisville Bridges Project with respect to the federally funded component and the state-funded component of the Six-Year Highway Plan. The Transportation Cabinet shall expend no more than \$130,000,000 on the Louisville Bridges Project through the first year of the biennium."

"Asphalt Pavement Template: As of the effective date of this Act, the Secretary of the Transportation Cabinet shall require that all federally funded interstate highway construction projects use only asphalt in the pavement template."

"Miscellaneous Road Fund Projects:

(a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;

(b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;

(c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;

(d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;

(e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (m) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (n) Madison County Highway Improvements: Funds for improvements to Barnes Mill Road/KY 876, from west of Redwood Drive to Page Hill shall be paid to the Madison County Fiscal Court, which shall coordinate the project;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;
- (p) Rockcastle County Highway Lighting: Install highway lighting on US 25 from I-75 to the Country Music Hall of Fame in Renfro Valley for \$350,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (r) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;
- (s) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

- (t) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (v) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (w) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$306,959,500 in fiscal year 2006-2007 and \$310,881,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The Senate adds a Part I, Operating Budget, language provision as follows:

"State Supported Construction Programs: Included in the above Road Fund appropriation is \$315,644,400 in fiscal year 2006-2007 and \$292,882,200 in fiscal year 2007-2008 for the State Supported Construction Program."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$188,817,300 in fiscal year 2006-2007 and \$185,821,300 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Biennial Highway Construction Program: Included in the State Supported Construction Program is \$197,502,200 in fiscal year 2006-2007 and \$167,822,200 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Demonstration Projects: The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects per year. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XIII of this Act."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Road Fund Support for Aviation Economic Development Projects: The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XII of this Act."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Highways

The Senate adds Part I, Operating Budget, language provisions as follows:

"Kentucky Pride Fund Program Report: The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Transportation no later than October 1 of each year."

"Rest Area Closure: Notwithstanding KRS 177.240, the Transportation Cabinet may close the following five rest area sites:

- (a) Hart County - One site located on I-65 southbound at milepost 55.1;
- (b) Hardin County - Two sites located on I-65 northbound and southbound at milepost 81.0;
- (c) Madison County - Two sites located on I-75 northbound and southbound at milepost 82.3."

The Senate provides increased Road Fund support totaling \$15,000,000 in fiscal year 2007-2008 for the Highways appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue initiative.

The Senate decreases Road Fund support totaling \$10,230,900 in each fiscal year to the Kentucky State Police operations.

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Public Transportation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,203,500	5,203,500		8,503,400	5,203,400	(3,300,000)	8,503,400	5,203,400	(3,300,000)
Restricted Funds	508,900	508,900		555,700	555,700		555,700	555,700	
Federal Funds	55,160,700	55,160,700		40,204,200	40,204,200		40,233,600	40,233,600	
Regular Total Funds	60,873,100	60,873,100		49,263,300	45,963,300	(3,300,000)	49,292,700	45,992,700	(3,300,000)
Use of Continuing	1,894,300	1,894,300							
TOTAL FUNDS	62,767,400	62,767,400		49,263,300	45,963,300	(3,300,000)	49,292,700	45,992,700	(3,300,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,686,300	1,686,300		1,570,200	1,570,200		1,589,900	1,589,900	
Operating Expenses	179,800	179,800		176,600	176,600		176,600	176,600	
Grants, Loans, Benefits	60,901,300	60,901,300		47,516,500	44,216,500	(3,300,000)	47,526,200	44,226,200	(3,300,000)
TOTAL EXPENDITURES	62,767,400	62,767,400		49,263,300	45,963,300	(3,300,000)	49,292,700	45,992,700	(3,300,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,203,500	5,203,500		5,203,400	5,203,400		5,203,400	5,203,400	
Restricted Funds	508,900	508,900		511,600	511,600		516,100	516,100	
Federal Funds	55,160,700	55,160,700		27,376,700	27,376,700		27,404,900	27,404,900	
Regular Total Funds	60,873,100	60,873,100		33,091,700	33,091,700		33,124,400	33,124,400	
Use of Continuing	1,894,300	1,894,300							
TOTAL BASE LEVEL	62,767,400	62,767,400		33,091,700	33,091,700		33,124,400	33,124,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,300,000		(3,300,000)	3,300,000		(3,300,000)
Restricted Funds				44,100	44,100		39,600	39,600	
Federal Funds				12,827,500	12,827,500		12,828,700	12,828,700	
TOTAL ADDITIONAL				16,171,600	12,871,600	(3,300,000)	16,168,300	12,868,300	(3,300,000)
V. ADDITIONAL BUDGET ITEMS									
1 GB Public Transportation									
ABRC35E0004	Provide funds to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.								
Federal Funds				12,769,100	12,769,100		12,769,100	12,769,100	
Project Total				12,769,100	12,769,100		12,769,100	12,769,100	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Public Transportation

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
2	GB	Public Transportation									
ABRC35E0003			Provide General Fund match resources to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.								
General Fund						3,300,000		(3,300,000)	3,300,000		(3,300,000)
Project Total						3,300,000		(3,300,000)	3,300,000		(3,300,000)
3	GB	Public Transportation									
ABRC35E0001			Provide funds to support personnel expenditures related to Public Transportation three (3) personnel positions (3 vacant). positions.								
Federal Funds						58,400	58,400		59,600	59,600	
Project Total						58,400	58,400		59,600	59,600	
4	GB	Public Transportation - Human Services Delivery									
ABRC35E0005			Provide authorization for a Memorandum of Agreement with the Cabinet for Health and Family Services for one personnel position (1 vacant).								
Restricted Funds						44,100	44,100		39,600	39,600	
Project Total						44,100	44,100		39,600	39,600	
TOTAL ADDITIONAL						16,171,600	12,871,600	(3,300,000)	16,168,300	12,868,300	(3,300,000)

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Public Transportation

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Toll Credits: The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

"Nonpublic School Transportation: Included in the above General Fund appropriation is \$2,950,000 in fiscal year 2006-2007 and \$2,950,000 in fiscal year 2007-2008 for nonpublic school transportation."

HOUSE REPORT

The House concurs with the Branch with the following change:

The House provides General Fund support totaling \$3,300,000 in each fiscal year for increased Federal Fund match for transit system grants.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Toll Credits: The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

The Senate adds a Part I, Operating Budget, language provision as follows:

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Public Transportation

"Toll Credits: The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

The Senate provides decreased General Fund support totaling \$3,300,000 in each fiscal year for Federal Fund match for transit system grants.

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Revenue Sharing

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Road Fund	240,939,000	240,939,000		257,792,100	224,534,100	(33,258,000)	253,198,700	234,154,700	(19,044,000)
Highway Bond	150,000,000	150,000,000		75,000,000		(75,000,000)			
Regular Total Funds	390,939,000	390,939,000		332,792,100	224,534,100	(108,258,000)	253,198,700	234,154,700	(19,044,000)
Use of Continuing									
TOTAL FUNDS	390,939,000	390,939,000		332,792,100	224,534,100	(108,258,000)	253,198,700	234,154,700	(19,044,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	2,870,500	2,870,500		2,935,100	2,935,100		2,971,100	2,971,100	
Operating Expenses	46,443,900	46,443,900		47,139,100	47,139,100		47,654,600	47,654,600	
Grants, Loans, Benefits	129,827,200	129,827,200		138,961,300	105,703,300	(33,258,000)	133,235,500	114,191,500	(19,044,000)
Construction	211,797,400	211,797,400		143,756,600	68,756,600	(75,000,000)	69,337,500	69,337,500	
TOTAL EXPENDITURES	390,939,000	390,939,000		332,792,100	224,534,100	(108,258,000)	253,198,700	234,154,700	(19,044,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
Road Fund	229,080,600	229,080,600		257,668,000	224,410,000	(33,258,000)	252,908,400	233,864,400	(19,044,000)
Highway Bond	150,000,000	150,000,000							
Regular Total Funds	379,080,600	379,080,600		257,668,000	224,410,000	(33,258,000)	252,908,400	233,864,400	(19,044,000)
Use of Continuing									
TOTAL BASE LEVEL	379,080,600	379,080,600		257,668,000	224,410,000	(33,258,000)	252,908,400	233,864,400	(19,044,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Road Fund	11,858,400	11,858,400		124,100	124,100		290,300	290,300	
Highway Bond				75,000,000		(75,000,000)			
TOTAL ADDITIONAL	11,858,400	11,858,400		75,124,100	124,100	(75,000,000)	290,300	290,300	
V. ADDITIONAL BUDGET ITEMS									
1 NEW Revenue Sharing - County Road Aid Program									
ABRC35C0001 Provide Highway Bond Fund resources for the County Road Aid Program.									
Highway Bond				50,000,000		(50,000,000)			
Project Total				50,000,000		(50,000,000)			
2 NEW Revenue Sharing - Municipal Road Aid Program									
ABRC35C0002 Provide Highway Bond Fund resources for the Municipal Road Aid Program.									
Highway Bond				25,000,000		(25,000,000)			
Project Total				25,000,000		(25,000,000)			

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Revenue Sharing

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
3	GB	Revenue Sharing									
ABRC35C0003	Provide Road Fund resources to reflect an increase in current year Consensus Forecast Group revenue estimates.										
Road Fund			11,858,400	11,858,400							
Project Total			11,858,400	11,858,400							
4	NEW	Revenue Sharing - County Aid Program									
ABRC35C0004	Provide Road Fund resources for the County Road Aid Program as a result of the Department of Revenue initiative.										
Road Fund						47,100	47,100		110,200	110,200	
Project Total						47,100	47,100		110,200	110,200	
5	NEW	Revenue Sharing - Rural Secondary Road									
ABRC35C0005	Provide Road Fund resources for the Rural Secondary Road Aid Program as a result of the Department of Revenue initiative.										
Road Fund						57,200	57,200		133,700	133,700	
Project Total						57,200	57,200		133,700	133,700	
6	NEW	Revenue Sharing - Municipal Road Aid									
ABRC35C0006	Provide Road Fund resources for the Municipal Road Aid Program as a result of the Department of Revenue initiative.										
Road Fund						19,800	19,800		46,400	46,400	
Project Total						19,800	19,800		46,400	46,400	
TOTAL ADDITIONAL			11,858,400	11,858,400		75,124,100	124,100	(75,000,000)	290,300	290,300	

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount \$12,500,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369, and \$12,500,000 shall be distributed by application process as determined by the Transportation Cabinet."

"Energy Recovery Road Fund: Included in the above Road Fund appropriation is \$1,103,000 in fiscal year 2006-2007 and \$1,303,000 in fiscal year 2007-2008 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981."

HOUSE REPORT

The House concurs with the Branch with the following changes:

The House deletes a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

The House adds a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,456,600 in fiscal year 2006-2007 and \$93,632,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$50,000,000 shall be distributed in accordance with KRS 177.360(1)."

The House deletes a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House adds a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,226,200 in fiscal year 2006-2007 and \$119,235,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The House deletes a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

The House adds a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$41,006,300 in fiscal year 2006-2007 and \$39,028,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369."

The House provides increased Road Fund support totaling \$124,100 in fiscal year 2006-2007 and \$290,300 in fiscal year 2007-2008 for the Revenue Sharing appropriation unit. The increased Road Fund revenue is provided from an additional Road Fund revenue collection initiative to be implemented by the Department of Revenue.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate deletes a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$97,456,600 in fiscal year 2006-2007 and \$93,632,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$50,000,000 shall be distributed in accordance with KRS 177.360(1)."

The Senate adds a Part I, Operating Budget, language provision as follows:

"County Road Aid Program: (a) Included in the above Road Fund appropriation is \$84,829,600 in fiscal year 2006-2007 and \$88,406,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$12,627,000 in fiscal year 2006-2007 and \$12,627,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: Included in the above Road Fund appropriation is \$118,226,200 in fiscal year 2006-2007 and \$119,235,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Rural Secondary Program: (a) Included in the above Road Fund appropriation is \$102,908,200 in fiscal year 2006-2007 and \$107,247,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Revenue Sharing

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$15,318,000 in fiscal year 2006-2007 and \$15,318,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The Senate deletes a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$41,006,300 in fiscal year 2006-2007 and \$39,028,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369."

The Senate adds a Part I, Operating Budget, language provision as follows:

"Municipal Road Aid Program: (a) Included in the above Road Fund appropriation is \$35,693,300 in fiscal year 2006-2007 and \$37,198,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$5,313,000 in fiscal year 2006-2007 and \$5,313,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$740,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	5,886,100	5,886,100		4,109,900	4,109,900		4,101,900	4,101,900	
Federal Funds	1,179,700	1,179,700		285,500	3,285,500	3,000,000	285,500	285,500	
Road Fund	16,280,300	16,280,300		17,396,100	17,396,100		18,269,900	18,269,900	
Regular Total Funds	23,346,100	23,346,100		21,791,500	24,791,500	3,000,000	22,657,300	22,657,300	
Use of Continuing									
TOTAL FUNDS	23,346,100	23,346,100		21,791,500	24,791,500	3,000,000	22,657,300	22,657,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	13,428,700	13,428,700		13,567,600	13,567,600		14,037,200	14,037,200	
Operating Expenses	9,917,400	9,917,400		8,223,900	11,223,900	3,000,000	8,620,100	8,620,100	
TOTAL EXPENDITURES	23,346,100	23,346,100		21,791,500	24,791,500	3,000,000	22,657,300	22,657,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	5,886,100	5,886,100		4,109,900	4,109,900		4,101,900	4,101,900	
Federal Funds	1,179,700	1,179,700		285,500	285,500		285,500	285,500	
Road Fund	15,333,000	15,333,000		15,856,900	15,856,900		16,259,200	16,259,200	
Regular Total Funds	22,398,800	22,398,800		20,252,300	20,252,300		20,646,600	20,646,600	
Use of Continuing									
TOTAL BASE LEVEL	22,398,800	22,398,800		20,252,300	20,252,300		20,646,600	20,646,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds					3,000,000	3,000,000			
Road Fund	947,300	947,300		1,539,200	1,539,200		2,010,700	2,010,700	
TOTAL ADDITIONAL	947,300	947,300		1,539,200	4,539,200	3,000,000	2,010,700	2,010,700	
V. ADDITIONAL BUDGET ITEMS									
1 GB	Vehicle Regulation - Motor Carriers								
ABRC35G0003	Provide funds to support Personnel expenditures related to Motor Carriers, including six positions (6 vacant).								
Road Fund				265,000	265,000		271,200	271,200	
Project Total				265,000	265,000		271,200	271,200	
2 GB	Vehicle Regulation - Drivers Licensing								
ABRC35G0002	Provide funds to support Personnel expenditures related to Drivers Licensing, including four positions (4 vacant).								
Road Fund				198,100	198,100		202,600	202,600	
Project Total				198,100	198,100		202,600	202,600	

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
3	GB	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0004		Provide funds to support Personnel expenditures related to Motor Vehicle Licensing Licensing, including three positions (3 vacant).								
Road Fund					156,700	156,700		160,400	160,400	
Project Total					156,700	156,700		160,400	160,400	
4	GB	Vehicle Regulation - Drivers Licensing								
ABRC35G0006		Provide funds to support increased operating expenditures related to the issuance of digitized photo drivers licenses.								
Road Fund		412,200	412,200		412,200	412,200		869,300	869,300	
Project Total		412,200	412,200		412,200	412,200		869,300	869,300	
5	EXPAN	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0005		Provide funds to support increased operating expenditures to update Point of Sales computer equipment in sixty (60) County Clerk offices.								
Road Fund					350,000	350,000		350,000	350,000	
Project Total					350,000	350,000		350,000	350,000	
6	GB	Vehicle Regulation - Commissioner								
ABRC35G0001		Provide Road Fund match funds to support increased personnel expenditures related to the federal Commercial Vehicle ITS Infrastructure Component (CVISN) of the ITS Deployment program.								
Road Fund					147,200	147,200		147,200	147,200	
Project Total					147,200	147,200		147,200	147,200	
7	EXPAN	Vehicle Regulation - Motor Vehicle Licensing								
ABRC35G0007		Provide funds to support increased operating expenditures related to Salvage or Rebuilt title supplies.								
Road Fund		10,000	10,000		10,000	10,000		10,000	10,000	
Project Total		10,000	10,000		10,000	10,000		10,000	10,000	
8	GB	Vehicle Regulation								
ABRC35G0010		Provide funds to support increased personnel costs in fiscal year 2005-2006.								
Road Fund		525,100	525,100							
Project Total		525,100	525,100							
9	NEW	Vehicle Regulation - Drivers Licensing								
ABRC35G0011		Provide funds to support increase operating expenditures related to the REALID program.								
Federal Funds						3,000,000	3,000,000			
Project Total						3,000,000	3,000,000			

SENATE BUDGET REPORT - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

L - Transportation Cabinet

Operating Budget

Vehicle Regulation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference	House Budget	Senate Budget	Difference
TOTAL ADDITIONAL	947,300	947,300		1,539,200	4,539,200	3,000,000	2,010,700	2,010,700	

TRANSFERS TO THE GENERAL FUND**Vehicle Regulation**

Agency Revenue Fund	194,900	194,900
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TOTAL	194,900	194,900
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**Fiscal Biennium 2006-2008
Budget Modification Report**

03/19/06 9:39 PM

Vehicle Regulation

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Motor Vehicle Commission, Restricted Funds of \$194,900 in fiscal year 2006-2007.

HOUSE REPORT

The House concurs with the Branch.

SENATE REPORT

The Senate concurs with the House with the following change:

The Senate provides increased Federal Fund support totaling \$3,000,000 in fiscal year 2006-2007 for the REALID, Driver Licensing, program.